

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (4/11):
BUTTER: Grade AA closed at \$1.0975. The weekly average for Grade AA is \$1.0917 (+.0025).

CHEESE: Barrels closed at \$1.0900 and blocks at \$1.1200. The weekly average for barrels is \$1.0900 (+.0200) and blocks, \$1.1200 (+.0060).

NONFAT DRY MILK: Extra Grade closed at \$0.8400 and Grade A at \$0.8400. The weekly average for Extra Grade is \$0.8400 (N.C.) and Grade A, \$0.8400 (N.C.).

BUTTER: The cash price at the CME remains basically steady. Churning activity across the country is reported to be seasonally strong as butter producers take advantage of local and out of area cream offerings. Additional cream offerings vary from coast to coast depending on Class II demand. Often, cream handlers indicate that ice cream production seems to be slow in resuming seasonal production schedules. Other Class II cream demand has edged lower as holiday based cream product demand is basically filled. Butter stocks are readily available for the fair, at best, butter demand. Retail and food service orders have been filled for the upcoming holiday with last minute fill-in orders expected next week.

CHEESE: The cheese market is steady. Ice and freezing rain caused power outages, closed schools and hampered movement in parts of the Northeast and upper Midwest. Recent price increases seem to be slowing purchases. A little seasonal improvement is noted in commercial process orders. Natural orders are often slower as holiday orders have already been shipped. Current cheese production remains seasonally heavy. Supplies are more than adequate on most varieties. Cheese continues to clear to CCC under the price support program. Cumulative 2003 estimated cheddar production during the first 2 months totals 467.2 million pounds, off 3.9 million pounds (-0.8%) from the same period in 2002. Cumulative 2 month total cheese production totals 1.372 billion pounds, up 12.2 million pounds (0.9%).

FLUID MILK: In most parts of the country, milk production is increasing seasonally. In the Northeast snowfall and ice caused many problems for the region. In central New York, a major ice storm during the weekend of April 5 - 6, cut power and caused transportation problems into mid-week. Snowfall during the same period also affected areas of New Jersey and Pennsylvania. Although adverse weather conditions affected everything from milking of the animals, proper cooling, hauling logistics and manufacturing schedules, early reports indicate that very little milk was lost due to the storms. In the Southeast, milk output is at or near its peak along the Gulf Coast, still increasing in other Southeastern states. Bottled milk demand is steady in most areas of the region, but the storm did cause some panic buying late last week. In the Central part of the country, milk production is building, but at a slower pace than past years. In the Southwest, milk output in Arizona is holding steady at seasonal high levels. California's production continues to outpace year ago levels across the state. Milk output in the Pacific Northwest is increasing seasonally. Temperatures are cool and showers are common over much of the region. In Utah and Idaho, the milk flow seems to be up somewhat and outside milk is entering the region.

DRY PRODUCTS: Nonfat dry milk markets are generally steady at unchanged prices from coast to coast. There were continued conversations this week about USDA's programs to clear some of its powder stocks; i.e. barter/trade for a portion of contract cheese

purchases and the newly announced donations of NDM for animal feed production in drought stricken areas. Overall powder production is higher in response to seasonal increases in the milk supply. Stocks continue to outpace demand, thus clearances continue to occur to CCC from all regions of the country. Buttermilk powder markets are steady to weak. Supplies vary across the country and depend on churning activity. In most areas, churning is seasonally strong, thus buttermilk is available. Condensed buttermilk sales were slower this week as ice cream production edged slightly lower. Often buttermilk powder supplies are heavier than current demand is absorbing. Whey powder markets are steady to weaker. Demand is lackluster and often producers are lowering prices to keep product moving. Export sales are slower and more competition is noted from European sourced powder.

CCC: For the week of April 7 - 11, CCC purchased 380,881 pounds of bulk butter from the West. Cheese purchases included 1,069,200 pounds of process from the Central, 85,041 pounds of block and 732,786 pounds of barrel cheese from the West. Nonfat dry milk purchases totaled 18,122,382 pounds: 1,833,538 pounds from the Central; 13,621,919 pounds from the West; and 2,666,925 pounds from the East.

FEBRUARY 2003 DAIRY PRODUCTS HIGHLIGHTS (NASS): Butter production was 128.5 million pounds in February, 2.5% above February 2002 but 9.2% below January 2003. American type cheese production totaled 284.9 million pounds, 0.9% below February 2002 and 10.8% below January 2003. Total cheese output (excluding cottage cheese) was 654.6 million pounds, slightly below February 2002 and 8.8% below January 2003. Nonfat dry milk production, for human food, totaled 132.6 million pounds, 5.3% above February 2002 but 0.9% below January 2003. Dry whey production, for human food, was 83.4 million pounds, 3.9% above February 2002 but 9.1% below January 2003.

FEBRUARY FLUID MILK SALES (AMS & CDEA): During February, about 4.4 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 1.7% higher than February 2002. On an individual product basis, sales of whole milk, reduced fat (2%) milk, low fat (1%) milk, fat-free (skim) milk, and flavored fat-reduced milk increased from February 2002, while sales of flavored whole milk and buttermilk decreased from a year earlier. Cumulative adjusted calendar year fluid product sales for the first two months of 2003 total 9.2 billion pounds, 1.3% heavier than last year.

APRIL MILK SUPPLY AND DEMAND ESTIMATES (ERS): The milk production projection for 2002/2003 is unchanged from last month. The commercial use forecast is reduced this month as growth remains weak. As product prices remain weak, Class prices are projected lower than last month. The Class III price is lowered to \$9.55-\$9.85; the Class IV price forecast range is narrowed to \$9.80-\$10.30. The all milk price is down from last month's forecast, to \$11.10-\$11.40.

JANUARY MAILBOX MILK PRICES (AMS, CDEA): In January 2003, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$11.61, \$0.08 less than the figure for the previous month. Most of this month-to-month decrease results from lower Federal milk order minimum producer milk component prices and tests. On an individual reporting area basis, mailbox prices decreased in 11 reporting areas and increased in 6 areas, and ranged from \$14.72 in Florida to \$10.25 in Utah. In January 2002, the Federal milk order all-area average mailbox price was \$13.34, \$1.73 higher.

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**CHICAGO MERCANTILE EXCHANGE
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY APRIL 7	TUESDAY APRIL 8	WEDNESDAY APRIL 9	THURSDAY APRIL 10	FRIDAY APRIL 11	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.0900 (N.C.)	\$1.0900 (N.C.)	\$1.0900 (N.C.)	\$1.0900 (N.C.)	\$1.0900 (N.C.)	N.C.	\$1.0900 (+.0200)
40# BLOCKS	\$1.1200 (N.C.)	\$1.1200 (N.C.)	\$1.1200 (N.C.)	\$1.1200 (N.C.)	\$1.1200 (N.C.)	N.C.	\$1.1200 (+.0060)
BUTTER							
GRADE AA	\$1.0850 (-.0025)	-----	\$1.0925 (+.0075)	-----	\$1.0975 (+.0050)	+.0100	\$1.0917 (+.0025)

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM (NOTE: The NDM daily/weekly prices are reported here when changes occur. The Extra Grade price is \$.8400 and Grade A price is \$.8400. NDM information remains available at the above internet address.) NOTE: The CME cash, dairy markets will be closed Friday, April 18 for the observance of Good Friday.

CHICAGO MERCANTILE EXCHANGE

MONDAY, APRIL 7, 2003

CHEESE -- SALES: 9 CARS 40# BLOCKS: 1 @ \$1.1175, 1 @ \$1.1200, 2 @ \$1.1175, 1 @ \$1.1200, 1 @ \$1.1175, 1 @ \$1.1200, 1 @ \$1.1175, 1 @ \$1.1200; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 2 CARS 40# BLOCKS @ \$1.1200

BUTTER -- SALES: 1 CAR GRADE AA @ \$1.0850; BIDS UNFILLED: 5 CARS GRADE AA: 2 @ \$1.0850, 1 @ \$1.0825, 2 @ \$1.0800; OFFERS UNCOVERED: 1 CAR GRADE AA @ \$1.1000

TUESDAY, APRIL 8, 2003

CHEESE -- SALES: 14 CARS 40# BLOCKS: 1 @ \$1.1175, 1 @ \$1.1200, 1 @ \$1.1175, 1 @ \$1.1200, 1 @ \$1.1175, 1 @ \$1.1200, 1 @ \$1.1175, 1 @ \$1.1200, 1 @ \$1.1175, 1 @ \$1.1200, 1 @ \$1.1175, 1 @ \$1.1200, 1 @ \$1.1175, 1 @ \$1.1200, 1 @ \$1.1175, 1 @ \$1.1200; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 2 CARS 40# BLOCKS: 1 @ \$1.1200, 1 @ \$1.1250

WEDNESDAY, APRIL 9, 2003

CHEESE -- SALES: 2 CARS 40# BLOCKS: 1 @ \$1.1175, 1 @ \$1.1200; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 2 CARS 40# BLOCKS: 1 @ \$1.1300, 1 @ \$1.1325

BUTTER -- SALES: 11 CARS GRADE AA: 1 @ \$1.0925, 1 @ \$1.0900, 1 @ \$1.0925, 1 @ \$1.0950, 2 @ \$1.0925, 1 @ \$1.0950, 1 @ \$1.0925, 2 @ \$1.0950, 1 @ \$1.0925; BIDS UNFILLED: 16 CARS GRADE AA: 4 @ \$1.0925, 2 @ \$1.0900, 3 @ \$1.0875, 3 @ \$1.0850, 1 @ \$1.0825, 3 @ \$1.0800; OFFERS UNCOVERED: 1 CAR GRADE AA @ \$1.1100

THURSDAY, APRIL 10, 2003

CHEESE -- SALES: 2 CARS 40# BLOCKS: 1 @ \$1.1175, 1 @ \$1.1200; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ \$1.1200

FRIDAY, APRIL 11, 2003

CHEESE -- SALES: 8 CARS 40# BLOCKS: 1 @ \$1.1175, 1 @ \$1.1200, 1 @ \$1.1175, 1 @ \$1.1200, 1 @ \$1.1175, 1 @ \$1.1200, 1 @ \$1.1175, 1 @ \$1.1200; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 7 CARS GRADE AA: 4 @ \$1.0975, 1 @ \$1.0950, 2 @ \$1.0975; BIDS UNFILLED: 11 CARS GRADE AA: 2 @ \$1.0975, 4 @ \$1.0950, 3 @ \$1.0925, 2 @ \$1.0900; OFFERS UNCOVERED: 1 CAR GRADE AA @ \$1.1025

BUTTER MARKETS**FEBRUARY BUTTER PRODUCTION**

During February 2003, butter production in the United States totaled 128.5 million pounds, 2.5% more than February 2002, but 9.2% less than January 2003. The following are February to February changes for various states: CA +5.3%, NY -18.3%, PA -9.0%, and WI +5.9%.

NORTHEAST

The butter market tone is fairly steady. The price at the CME has continued in a narrow range for the past 5-6 weeks. Churning activity is mostly steady, but this week's storms across much of New York did retard the gains recently seen in Class II cream demand. Butter stocks are still more than ample for the slow to fair demand. Producers indicate that print butter demand has been quite active, but bulk orders are sluggish. Food service orders are holding up as we near Easter. Distributors are getting orders out to the stores as Easter/Passover features should be getting under way. Sales of bulk butter, f.o.b. East, are reported in a range of flat market to 4 cents over the CME price/average.

CENTRAL

The cash butter price continues to fluctuate in a narrow range above the support price of \$1.05. Producers and handlers report that churning activity is seasonally active, although offerings of additional cream from outside sources are lighter. With inventories nearly double the level of last year at this time, many butter producers are reluctant to take on additional cream unless favorably priced. Often butter producers are successful in their negotiations as cream suppliers are eager

to clear the cream versus holding unsold volumes. Overall butter demand is fairly good as retail outlets and food service establishments prepare for the upcoming holiday. Retailers are preparing for the holiday by running features, but butter handlers indicate that it appears that there may not be as many features as in years past. Often, retail butter prices are already at levels which are clearing good volumes of print butter without a feature. Food service outlets are also preparing for the holiday which is often a family dining out holiday. Bulk butter for spot sale is in a range of flat to 2 cents per pound over various pricing basis.

WEST

Good demand for print butter has been noted for the past few weeks in anticipation of the upcoming holiday period. There is plenty of current and stored butter to efficiently take care of any demand increases. A slow increase in interest for cream is noted from ice cream operations. Contacts are concerned that the interest is slow in developing again this year. Churning activity remains heavy. U.S. butter production in February totaled 128.5 million pounds, an increase of 2.5% from last year but a decrease of 9.2% from last month. Output in the Western region totaled 48.3 million pounds (38% of U.S. production), up 5.6% from last year. CME weekly warehouse stocks increased by 1.3 million pounds this past week. Stocks have increased for 16 consecutive weeks. During this time period, stocks grew by 77.1 million pounds. Current prices for bulk butter range from 4 cents under to 2 cents under the market based on the CME with various time frames and averages (includes CCC sales when applicable). With changes effective in pricing for California milk that became effective on April 1, sellers are attempting to floor butter sales prices at the support price of \$1.05.

NASS DAIRY PRODUCT PRICES**U.S. AVERAGES AND TOTAL POUNDS**

WEEK ENDING	CHEESE 40# BLOCKS	BARRELS 38% MOISTURE	NDM	BUTTER	DRY WHEY
APRIL 5	1.0764 6,736,296	1.0453 10,883,143	0.8044 33,659,991	1.0696 3,724,573	0.1579 11,483,155

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

CHEESE MARKETS

NORTHEAST

Prices are generally higher and the market tone is just steady. The higher prices do not necessarily indicate market strength. Some contacts indicate that the recent increase in CME prices was more a reaction to California's recent change to their "cheese milk" formula/base rather than supply/demand. Cheese output in the Northeast was disrupted in much of New York where an ice storm on Friday (4/4) left hundreds of thousands of "up-staters" without power and downed trees and power lines blocked roads. Many businesses and homes were still without power on Tuesday. One plant without power cancelled all its early-week milk deliveries only to have power restored and they had to reorder milk. However, some operations outside the storm area did increase output. These plants were the same operations that stopped making cheese last week to keep inventories in line. Demand for cheese is steady at best. Some improved demand for the Easter/Passover holidays was noted, but most of those orders should already be in the wholesale pipelines. Food service orders are steady to slower in the storm affected areas.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.1775-1.6725
Cheddar Single Daisies	:	1.1350-1.6000
Cheddar 40# Block	:	1.2525-1.5000
Process 5# Loaf	:	1.2800-1.4800
Process 5# Sliced	:	1.3000-1.5475
Muenster	:	1.3400-1.5450
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is unevenly steady. Some cheddar producers continue to balance inventory with sales on the Chicago Mercantile Exchange. Current cheese orders remain irregular, full (40 hour) schedules with or without overtime one week, then slow the next week for most cutters. Bulk cheese needs for next week are lighter with many operations closed on Good Friday (4/18). Commercial process interest remains about steady. Many processors still are utilizing extra line time to produce process for CCC clearance. The current, higher barrel price (\$1.09 on the CME) is less attractive for processors to make additional volumes for clearance under the price support program. Only a couple processors have seen usual spring pickup in commercial orders. Current cheese interest is generally fair at best. Cheese production remains seasonally heavy and inventories are steady to growing. Milk intakes are steady to occasionally larger. Fat and protein levels in incoming milk supplies are slipping seasonally, lowering cheese yields, and at least partially offsetting milk intakes. Most cheese plants continue to operate on heavier schedules than a year ago.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.2500-1.4600
Brick And/Or Muenster 5#	:	1.4600-1.7750
Cheddar 40# Block	:	1.4400-2.1150
Monterey Jack 10#	:	1.7000-2.1150
Blue 5#	:	1.8675-2.1900
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.4200-2.2150
Grade A Swiss Cuts 6 - 9#	:	1.9500-2.6850

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	:	CHEESE
04/07/03	79,578	:	139,709
04/01/03	77,992	:	139,451
CHANGE	1,586	:	258
% CHANGE	2	:	N.C.

WEST

Cheese prices generally moved higher after trading at the CME last week. Contacts feel that the strength in the market is related to the change in pricing formulas implemented in California on April 1. Offerings of cheese on the CME have increased, so contacts wonder if the price increases will hold. Buyers have not increased purchases very much in relation to market price changes. Their comments center on the thought that they don't believe there is much of chance that cheese supplies will tighten in the near term. American type cheese production in February for the U.S. was estimated at 284.9 million pounds, a decrease of 0.9% from the previous year. This is the first time in eighteen months that current month output has trailed year ago levels. Total cheese output, at 654.6 million pounds, is unchanged from a year earlier. This compares to an actual slight decline in output for the Western region which produces 38% of the total cheese in the U.S. Swiss output in February totals 20.5 million pounds, an increase of 8.7% from a year earlier.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.2200-1.4800
Cheddar 40# Block	:	1.2450-1.3850
Cheddar 10# Cuts	:	1.4250-1.6450
Monterey Jack 10#	:	1.4350-1.5950
Grade A Swiss Cuts 6 - 9#	:	2.2000-2.3700

FOREIGN

Prices are steady to higher for both imported and domestic styles. Demand is mostly steady, but the weekend's ice storm in much of New York did disrupt transportation for many distributors and/or producers trying to get product to market. Supplies of foreign type cheese are fair to improved. This is typical for this time of year and the upcoming holidays.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
	:	:
Roquefort	: TFEWR	: -0-
Blue	: 2.6400-3.5500*	: 1.4725-2.9625*
Gorgonzola	: 3.6900-5.9400*	: 1.9900-2.4900*
Parmesan (Italy)	: TFEWR	: 2.8825-2.9725*
Romano (Italy)	: 2.1000-3.1900	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.4800-1.7075*
Romano (Cows Milk)	: -0-	: 2.6700-4.8425*
Sardo Romano (Argentina)	: 2.8500-3.2900	: -0-
Reggianito (Argentina)	: 2.6900-3.2900	: -0-
Jarlsberg-(Brand)	: 2.7500-3.7900*	: -0-
Swiss Cuts Switzerland	: -0-	: 2.3500-2.5500
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-
Swiss Cuts Austrian	: TFEWR	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-2.9900	: -0-
Gouda, Large	: TFEWR	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

* = Price change.

FLUID MILK AND CREAM

E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	172	0	106	0	37
SOUTHEAST STATES	0	0	0	0	0	0

EDITOR'S NOTE: Due to recent changes in milk supply agreements, milk import/export totals are not directly comparable to year ago figures and to shipments prior to April 1, 2003.

The following are the March 2003 Class and component prices under the Federal Milk Order pricing system: Class II \$10.54 (down \$0.12 from February), Class III \$9.11 (down \$0.55); and Class IV \$9.79 (down \$0.02). The following are the product price averages used in computing Class prices: butter \$1.0546, NDM \$0.8051, cheese \$1.0780, and dry whey \$0.1599. The Class II butterfat price is \$1.1529 and the Class III/IV butterfat price is \$1.1459. A major ice storm across much of Central New York cut power and transportation over the weekend from Rochester to Albany. Also, quite a bit of snow fell on parts of New Jersey and Pennsylvania. Many areas of New York were still without power at the time of this report. Farm milk pick-ups were delayed. There were reports of "high count" milk being picked up, but that would be normal for pick-ups that were late. At the time of this report, there were no confirmed reports of milk being lost (dumped) at the farm, but a few reports did say that some farmers did miss a milking before acquiring a generator or power was restored. Milk production is about steady in the Northeast and milk supplies are heavy. In the Southeast, milk output is at or near its peak along the Gulf Coast, still increasing in other Southeastern states. Florida contacts thought that their milk flow had peaked, but cooler weather seemed to have given it an additional boost. Bottled milk demand is steady in most areas of the region, but the storm did cause some panic buying late last week. However, some bottlers noted that few "add on" orders, which would indicate little or no panic buying during this storm. In areas with prolonged periods of no power, some grocery stores cleared their shelves and did not restock until power came back on. Surplus milk volumes were heavier at most plants. Quite a bit of the Florida milk is finding its way into the Middle Atlantic area as well as other plants in the Southeast. The condensed skim market is weak with prices unchanged to occasionally lower. Spot demand is slow and some producers are having to dry more skim. Traders are stating that offerings, particularly Class II, are far greater than current spot and contract demand can clear. The fluid cream market is not as firm as it was. Like weeks past, supply and demand are relatively balanced early in the week, but loads are looking for a home after midweek. The storms have greatly slowed demand for ice cream and soft serve mix. Also, cream bottlers are not taking as much as they have been. Excess cream volumes are meeting with little interest and prices for cream headed to the churns are steady to lower. More loads are clearing to butter makers this week.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.3615-1.5031
DELIVERED EQUIVALENT ATLANTA	-	1.3615-1.4813 M 1.3724-1.4595
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.3288-1.4486

PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- .8900- .9800
NORTHEAST- CLASS III - SPOT PRICES	- .7400- .8000

M I D W E S T

Class I interest is uneven, bouncing week to week depending on what schools are out on spring break. Retail feature activity also is affecting Class I sales. Rain, freezing rain, sleet, and snow late last week caused power outages in some areas, reducing fluid demand and closing some schools for one or more days. At least one dairy plant lost power for a few hours and caused backups in production. It did not seem that milk hauling was affected appreciably other

than just slower. Manufacturers are also active producing dips, sour cream, and cottage cheese for the upcoming holidays. Manufacturing milk supplies remain very heavy within the region. Handlers feel that the upcoming holiday weekend is not expected to be a major issue in generating a large surplus volume. Reported spot manufacturing milk prices range from flat class to +\$0.75. A few plant operators reportedly are not interested in buying surplus milk next week so they can attend the Wisconsin Cheese Industry Conference. Cream interest is improving seasonally from ice cream manufacturers, especially those trying to build inventory. Ice cream sales have been somewhat disappointing except when featured. Though as the weather warms up, ice cream sales normally improve. Current milk intakes are little changed on a week-to-week basis, but those that have been running well ahead of year ago remain so. Temperatures cooled down and a few record low for that day records were broken. Winter wheat is getting top-dressed and manure is hauled early in the morning while the ground is still hard. Deliveries of seed and fertilizer orders are also well underway.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	APRIL 3 - 9	PREVIOUS YEAR
SLAUGHTER COWS	\$ 39.00- 44.00	\$ 40.00- 48.00
REPLACEMENT HEIFER CALVES	\$200.00-330.00	\$500.00-660.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	APRIL 3 - 9	PREVIOUS YEAR
SLAUGHTER COWS	\$ 38.00- 47.75	\$ 41.00- 47.50

W E S T

CALIFORNIA milk production continues to outpace year ago levels across the state. In the north, conditions have been good for milk production increases. Pasture growth is starting to develop and more cows are being put out. Haying and green chopping are moving further north each week. Disruptions are noted with rains and the quality of the first crop hay is less than desired. Reports are noting that low milk prices are having impacts on the quantities and prices of hay sold. Milk production is strong in the Central Valley and Southern California. Processors are juggling milk to find processing homes. Milk is leaving the state to be processed. Fluid milk orders are steady this week and expected to increase ahead of Passover and Easter. ARIZONA milk output is holding steady. Weather conditions have been stable and forecast to be seasonally mild. Milk from other states is being processed locally. Contacts in the state are looking favorably at the milk cow reduction plan being presented by a national dairy organization. Western CREAM markets are seeing few changes. Demand outside of contracted volumes is light. Buyers are not aggressive. Ice cream production and demand for cream is up slightly. The warmer weather is expected to spur demand for finished products. Easter and Passover orders for cream based items are strong. Surplus cream continues to move at heavy volumes to butter churns. Western cream multiples are unchanged and range from 110 to 123, FOB, depending on class usage. Spring seems to be somewhat slow in arriving in the PACIFIC NORTHWEST. Temperatures are cool and showers are common over much of the region. Pastures have not had much feed value for dairy herds. Conditions have been too wet to efficiently graze the cattle and now the grass is rank and has declining feed value. Nevertheless, milk production is increasing seasonally in the region. More herds in the region are exiting the industry. It is not certain as to the disposition of all the cows. Offerings of old crop hay stocks are increasing and prices are sliding lower. A monthly heifer sale in the region indicates that prices are up \$50-100 with good demand and quality noted. Conditions are warming in UTAH and IDAHO. Conditions are greening more rapidly. The milk flow seems to be up somewhat and some outside milk is entering the region. Hay prices are weakening slightly and there are indications that acreage may be up this year. Heifer prices averaged around the mid-1300's at two sales in the region. Contacts were pleased to hear that the feed assistance program for drought stricken areas will be used again this spring. This program sends CCC stocks of NDM to eligible areas to supplement feed supplies for cattle and other animals. The initial announcement is for up to 218 million pounds.

NDM, BUTTERMILK & WHOLE MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Prices are unchanged on a steady market. Production of NDM is higher in response to seasonal increases in the milk supply. However, some plants are gearing production more towards contractual orders on totes, limiting supply availability of bagged product. Spot movement is light. Traders are generally purchasing additional supplies from the West. Some locations that typically do not dry NDM are offering supplies near the lower end of the range. Condensed supplies are readily available for the mostly contractual interest. EAST: Eastern prices and the market tone are generally steady. There were continued conversations this week about USDA's programs to clear some of its powder stocks; i.e. barter/trade for a portion of contract cheese purchases and the newly announced donations of NDM for animal feed production in drought stricken areas. Production levels are steady to heavier. Spot demand for condensed skim remains slow. Producer stocks range from light to long. In addition to the current offerings, there is CCC-rejected NDM being offered in the marketplace. This powder is Extra Grade, but does not meet CCC's standards. Clearances to CCC continue, but most plants are clearing their powder in the commercial markets. Demand for NDM is steady, but not overly aggressive.

DAIRY PRODUCTS: Production of human food, nonfat dry milk during February 2003 totaled 132.6 million pounds, up 5.3% from February 2002 but 0.9% below January 2002. Month ending stocks, at 123.0 million pounds, are 13.7% below a year ago but 10.2% higher than January 2003.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A

LOW/MEDIUMHEAT: .8000 - .8750 MOSTLY: .8000 - .8500

HIGHHEAT: .8600 - .9150

NONFAT DRY MILK - WEST

Western low/medium heat nonfat dry milk prices are holding steady. The market tone remains weak in generally light spot trading. There are often better buying opportunities for CCC kickouts than for current NDM and buyers are being presented with numerous choices. Production levels remain strong in the region to process growing milk volumes. The CCC announced, under Announcement FMP1, invitations to offer approximately 99.2 million pounds of fortified/instant NDM for use in export donation programs. In addition, the USDA announced that more surplus CCC owned NDM will be made available to livestock producers under drought relief programs. Weekly shipments of surplus NDM to the CCC continue. During the week of March 31 - April 4, CCC net purchases totaled 21.1 million pounds of NDM from Western producers. High heat NDM prices are unchanged in limited trading. Production levels are mixed with schedules adjusted to orders. Stocks are adequate for all trade needs. U.S. NDM production in February totaled 132.6 million pounds, up 5.3% from last year but 0.9% lower than January. February production in the Western region totaled 98.5 million pounds, up 11.7% from last year. Western states' production levels with comparisons to last year are: California, 63.0 million pounds, +28.0%; and Idaho, 5.7 million pounds, -25.5%. U.S. manufacturers' stocks at the end of February were reported at 123.0 million pounds, down 13.7% from last year but up 10.2% from last month.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A

LOW/MEDIUMHEAT: .7850 - .8875 MOSTLY: .7950 - .8100

HIGHHEAT: .8225 - .8500

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
April 4	\$.8024	15,229,082	7,487,927
March 28	\$.8015	15,255,024	8,970,425

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

DRY BUTTERMILK - CENTRAL

Prices are nominal. The market tone is mixed. While supplies of condensed buttermilk are tightening, stocks of dry buttermilk are plentiful at some locations. Producers are not aggressively marketing their stocks as they await demand increases from the ice cream industry. Some producers are miffed as to how the Western market can possibly trade higher than the Central, especially when buttermilk is likely to be shipped from the West as ice cream production picks up seasonally. Production is mostly steady for the mostly contractual interest of both dry and condensed buttermilk. Dry buttermilk production during February 2003 totaled 6.2 million pounds, up 26.5% from February 2002 but 11.8% lower than January 2003. Month ending stocks, at 10.3 million pounds, are 14.5% above last year but 3.0% lower than last month.

F.O.B. CENTRAL:

.6500 - .7300

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices and the market tone are little changed. Eastern prices remain nominal. Production of dry buttermilk ranges from steady to heavier. This week's snow and ice storms in New York and New England sharply curtailed demand for ice cream and producers reduced orders for condensed buttermilk. Churning activity is steady to slightly higher because of the slower demand from Class II cream users. Producer stocks range from balanced to fully adequate. Dry buttermilk production during February 2003 totaled 6.2 million pounds, up 26.5% from February 2002 but 11.8% less than January 2003. Month ending stocks, at 10.3 million pounds, are 14.5% more than last year but 3.0% less than a month ago.

F.O.B. NORTHEAST:

.7000 - .7175

DELVDSOUTHEAST:

.7300 - .7550

DRY BUTTERMILK - WEST

Dry buttermilk prices continue to trend lower in light spot trading. Several sellers are calling the market slow and they have had no spot sales in the last two weeks. Buyers are unaggressive and not looking to make any type of commitments. Stocks are in excess of trade needs. U.S. dry buttermilk production in February totaled 6.2 million pounds, up 26.5% from last year but 11.8% lower than January. Stocks at the end of February were reported at 10.3 million pounds, 14.5% more than last year.

F.O.B. WEST:

.7000 - .7400 MOSTLY: .7100 - .7200

DRY WHOLE MILK - NATIONAL

Prices are steady to lower following the decline in milk prices. The market tone is steady. Prices remain nominal. Production is little changed from previous weeks. Demand is mostly contractual. Plant stocks are fairly well balanced. Dry whole milk production during February 2003 totaled 2.6 million pounds, down 37.7% from February 2002 and 3.6% lower than January 2003. Month ending stocks are not reported for this product.

F.O.B. PRODUCING PLANT:

1.0300 - 1.1700

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 2002 THROUGH APRIL 4, 2003
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	-	68,201	MT (150,355,592 LBS)
Program's NDM allocation is filled.			
CHEESE	-	3,029	MT (6,677,733 LBS)
BUTTERFAT	-	5,000	MT (11,023,000 LBS)

Allocations for the DEIP year beginning July 1, as announced September 13: Nonfat dry milk -- 68,201 MT; Cheese -- 3,030 MT; Butterfat -- 21,097 MT. This program-year's allocations have been announced in stages. The third stage was announced on February 25, 2003, and makes available 25,575 MT of NDM, 1,136 MT of cheese, and 5,000 MT of butterfat. This announcement fills the NDM and cheese allocations for this DEIP-year.

WHEY, CASEIN & EVAPORATED MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

DRY WHEY - CENTRAL

Prices are unchanged to lower on a mostly steady market. Production is mixed. While some plants have reduced production due to lower cheese output, other locations are operating at capacity and offering condensed whey at substantial discounts for the light interest. Stocks are building at some locations. While some feed buyers are picking up additional loads of whey to dilute 80% WPC purchases, dry whey interest is generally lackluster. Some spot export movement is occurring at the lower end of the range. Unconfirmed offerings are reported below the range on block shipments. Most movement is occurring steadily on a contractual basis. Production of human food, dry whey during February 2003 totaled 83.4 million pounds, 3.9% more than February 2002 but 9.1% below January 2003. Month ending stocks, at 35.9 million pounds, are 3.5% below a year ago and 9.3% less than January 2003.

F.O.B. CENTRAL: .1475 - .1650 MOSTLY: .1550 - .1600

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are unchanged. The market tone is steady to weak. Offerings outpace demand, but producers are trying to hold prices at current levels. Demand is lackluster at best. Traders report that market conditions are brutally slow. Other than contracts, few sales are being noted. Export interest is also slow as competition (lower prices) from the EU is noted. Production levels are steady to heavier. Milk supplies available to cheese makers are growing in much of the East. Last weekend's snow and ice storm did cause milk delivery problems and some cheese operations had their schedules disrupted. Eastern producers do have product to offer for immediate sale. Production of human food, dry whey during February 2003 totaled 83.4 million pounds, 3.9% more than February 2002 but 9.1% below January 2003. Month ending stocks, at 35.9 million pounds, are 3.5% below last year and 9.3% less than a month ago. Production of animal feed, dry whey during February totaled 4.6 million pounds, 18.1% less than a year ago and 22.1% below January 2003.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .1575 - .1800
DELVD SOUTHEAST: .1800 - .1950

DRY WHEY - WEST

Prices range from steady to fractionally lower for Western whey powder. There continues to be a weak undertone to the market. Producers are reducing prices to keep powder moving. Export sales are slower and more competition is noted from European sourced powder. Reports indicate that whey prices in Europe are the lowest they have been in ten years. Domestic sales range from fair to slow. Demand is not aggressive at all. Buyers have product on hand and are not looking to increase their holdings at this time. Production is heavy as milk and cheese output are seasonally strong. U.S. edible whey production in February totals 83.4 million pounds, up about 4% from last year. Output in the Western region is 23.2 million pounds, up more than 8% from 2002.

NONHYGROSCOPIC: .1300 - .1775 MOSTLY: .1400 - .1550

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged to lower on a mostly steady market. Supplies of milk replacer are limited for the good interest. Roller ground demand is improved compared to the week prior. Production and stocks of roller ground are generally in balance. Production of animal feed dry whey during February 2003 totaled 4.6 million pounds, 18.1% lower than a year ago and 22.1% less than January 2003. Month ending stocks, at 1.8 million pounds, are 23.8% above a year ago but 47.3% lower than last month.

NOTICE: Due to the reduced number of roller ground producers, the roller ground report will be discontinued as of May 1, 2003.

F.O.B. CENTRAL:
MILK REPLACER: .1400 - .1475
ROLLER GROUND: .1475 - .1825

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged to lower on a steady to weak market. Heavy offerings of domestic and foreign 80% WPC are depressing interest in the 34% WPC market. While some brand specific firms continue to gain a premium on their sales, other locations are seeing stocks build and having a difficult time clearing supplies, even at the lower end of the range. Some producers are not listing a price to potential buyers but instead requesting bids. Production is mostly steady with plants continuing to oscillate between 34% and 80% production. Condensed WPC remains readily available for the light interest. Production of HUMAN FOOD WPC during February 2003 totaled 27.6 million pounds, up 7.1% from February 2002 but 3.1% below January 2003. Manufacturers end-of-month stocks totaled 21.9 million pounds, 4% higher than a year ago but 1.4% below last month. Production of ANIMAL FEED WPC during February 2003 totaled 3.0 million pounds, down 6% from February 2002 and 4.4% below January 2003. Manufacturers end-of-month stocks totaled 1.8 million pounds, 8.6% above last year and 26.9% higher than last month.

F.O.B. EXTRA GRADE 34% PROTEIN: .4700 - .5500 MOSTLY: .4900 - .5000

LACTOSE - CENTRAL AND WEST

Prices are higher on a firm market. Some second quarter contracts continue to be negotiated yet most are finalized at higher prices. While supplies of lactose substitutes, such as whey and permeate, are plentiful, lactose demand remains strong. Supplies are short of buyer interest, especially on the higher mesh sizes. Production is mostly steady. While some plants produce more 80% WPC others produce more 34% WPC, balancing the amount of lactose produced. Feed grade supplies are limited and trading within the range for the good interest. Lactose production during February 2003 totaled 47.6 million pounds, up 8.2% from February 2002 but 5.7% lower than January 2003. Month ending stocks, at 38.1 million pounds, are 36.7% higher than a year ago but 10.8% below last month.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

F.O.B. EDIBLE: .1600 - .2350 MOSTLY: .1650 - .1900

CASEIN - NATIONAL

Casein markets and prices remain firm. Domestic buyers continue to indicate that they are getting their contracted volumes, but state that spot needs are more difficult to fill. At the April 10th meeting of the EU Management Committee, no adjustments occurred to casein production aid subsidies. Most European producers were hopeful than an adjustment would be forthcoming. At this point, European production is slowly increasing as milk production builds seasonally. Oceania production is now over and orders are being filled from inventoried stocks. U.S. importers speculate that casein supplies will be adequate for domestic buyers, but state that prices will be firm.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 1.9500 - 2.1000
ACID: 1.9500 - 2.0500

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Overall production levels are steady. However, output was spotty in the storm-affected areas where milk transportation was disrupted and loss of power were issues. Demand is slow to fair and mostly for replacement needs. Canned evaporated milk production during February 2003 totaled 35.7 million pounds, 21.2% more than February 2002 but 9.6% less than January 2003. Month ending stocks, at 56.4 million pounds, are 23.2% more than a year ago and 8.4% above last month.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$18.00 - 30.00

Excluding promotional and other sales allowances. Included new price announcements.

CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume 1/

Month	03/26	03/27	03/28	03/31	04/01	04/02	04/03	04/04	04/07	04/08
CME - (CLASS III) MILK FUTURES -- Dollars per cwt										
MAR 03	9.10 (1950) 0	9.10 (1950) 0	9.10 (1942) 0	9.10 (1942) 0	9.10 (1943) 6	9.10 (1943) 0	9.10 (1921) 0	9.11		
APR 03	9.41 (4080) 205	9.38 (4079) 73	9.33 (4079) 36	9.30 (4087) 32	9.36 (3484) 627	9.44 (3487) 121	9.45 (3438) 100	9.46 (3424) 13	9.50 (3467) 164	9.50 (3465) 1
MAY 03	9.72 (4017) 68	9.72 (4016) 4	9.71 (4128) 123	9.73 (4128) 58	9.93 (4228) 131	9.93 (4221) 126	9.88 (4245) 93	9.89 (4256) 20	9.95 (4262) 33	9.94 (4268) 26
JUN 03	10.22 (3869) 36	10.24 (3804) 89	10.20 (3816) 66	10.14 (3819) 29	10.35 (3820) 51	10.31 (3824) 30	10.25 (3840) 48	10.23 (3852) 75	10.30 (3865) 134	10.28 (3893) 34
JUL 03	10.60 (3135) 14	10.62 (3130) 7	10.56 (3108) 41	10.56 (3140) 102	10.82 (3127) 39	10.78 (3123) 19	10.65 (3127) 45	10.67 (3109) 62	10.80 (3095) 82	10.75 (3102) 21
AUG 03	10.85 (2655) 9	10.84 (2655) 0	10.84 (2691) 98	10.87 (2698) 35	11.07 (2680) 30	11.05 (2706) 36	10.78 (2870) 239	10.90 (2883) 56	11.05 (2861) 79	11.02 (2866) 16
SEP 03	11.37 (2869) 37	11.35 (2869) 0	11.37 (2885) 42	11.47 (2888) 38	11.72 (2881) 23	11.69 (2889) 35	11.63 (2886) 246	11.59 (2892) 61	11.68 (2852) 106	11.68 (2867) 33
OCT 03	11.47 (2367) 12	11.46 (2367) 1	11.46 (2375) 9	11.55 (2382) 31	11.80 (2369) 59	11.84 (2372) 35	11.82 (2381) 49	11.83 (2387) 36	11.93 (2403) 91	12.00 (2417) 50
NOV 03	11.30 (1628) 31	11.27 (1629) 2	11.21 (1629) 3	11.28 (1672) 60	11.60 (1685) 51	11.60 (1685) 4	11.55 (1704) 42	11.53 (1719) 47	11.60 (1720) 94	11.60 (1719) 22
DEC 03	11.29 (1391) 49	11.25 (1392) 6	11.25 (1392) 4	11.35 (1429) 49	11.65 (1459) 51	11.63 (1461) 3	11.63 (1482) 69	11.63 (1489) 23	11.70 (1475) 59	11.70 (1476) 5
JAN 04	11.28 (180) 6	11.29 (180) 0	11.26 (186) 6	11.35 (198) 20	11.65 (210) 27	11.60 (211) 17	11.60 (222) 11	11.60 (228) 7	11.70 (226) 6	11.60 (223) 3
FEB 04	11.25 (126) 5	11.25 (126) 1	11.30 (131) 5	11.40 (142) 11	11.70 (160) 48	11.63 (165) 6	11.60 (178) 15	11.60 (180) 4	11.60 (180) 1	11.60 (180) 3
MAR 04	11.20 (74) 4	11.30 (74) 0	11.28 (76) 3	11.28 (88) 22	11.53 (101) 35	11.45 (101) 0	11.50 (112) 14	11.45 (113) 1	11.48 (114) 1	11.45 (111) 3
APR 04	11.25 (68) 4	11.30 (68) 0	11.30 (68) 1	11.32 (77) 13	11.57 (86) 31	11.50 (86) 0	11.50 (90) 4	11.49 (90) 0	11.49 (91) 1	11.39 (89) 4
MAY 04	11.25 (60) 2	11.28 (60) 4	11.28 (60) 1	11.35 (60) 4	11.50 (70) 16	11.45 (71) 1	11.45 (75) 4	11.40 (75) 0	11.40 (77) 2	11.30 (74) 3
JUN 04	11.41 (55) 2	11.48 (57) 4	11.50 (57) 0	11.55 (59) 7	11.70 (70) 15	11.65 (70) 0	11.65 (75) 5	11.60 (75) 0	11.60 (76) 1	11.60 (73) 3
JUL 04	11.70 (23) 6	11.80 (24) 1	11.76 (24) 0	11.76 (25) 1	12.00 (37) 17	11.98 (37) 0	11.98 (41) 4	11.95 (41) 0	11.95 (41) 0	11.95 (39) 3
AUG 04	11.75 (18) 8	11.82 (18) 1	11.82 (18) 0	11.82 (22) 4	12.00 (33) 15	12.00 (32) 0	12.00 (37) 15	11.93 (37) 0	12.00 (37) 0	12.00 (37) 0
CME - (CLASS IV) MILK FUTURES - Dollars per cwt.										
MAR 03	9.93 (25) 0	9.92 (25) 0	9.92 (25) 0	9.92 (25) 0	9.92 (25) 0	9.92 (25) 0	9.92 (26) 0	9.79		
APR 03	10.05 (14) 0	10.02 (14) 0	10.02 (14) 0	10.00 (14) 0	10.00 (14) 0	10.00 (14) 0	10.00 (14) 0	9.95 (14) 0	9.95 (14) 0	9.95 (14) 0
MAY 03	10.25 (8) 0	10.25 (8) 0	10.25 (8) 0	10.25 (8) 0	10.25 (8) 0	10.25 (8) 0	10.25 (8) 0	10.15 (8) 0	10.15 (8) 0	10.15 (8) 0
JUN 03	10.40 (5) 0	10.40 (5) 0	10.40 (5) 0	10.40 (5) 0	10.40 (5) 0	10.40 (5) 0	10.40 (5) 0	10.25 (5) 0	10.15 (5) 0	10.15 (5) 0
JUL 03	10.45 (11) 0	10.45 (11) 0	10.45 (11) 0	10.45 (11) 0	10.45 (11) 0	10.45 (11) 0	10.17 (11) 0	10.20 (11) 0	10.20 (11) 0	10.20 (11) 0
AUG 03	10.45 (5) 0	10.45 (5) 0	10.45 (5) 0	10.45 (5) 0	10.45 (5) 0	10.45 (26) 21	10.21 (26) 0	10.30 (36) 10	10.25 (36) 0	10.25 (36) 0
SEP 03	10.50 (5) 0	10.50 (5) 0	10.50 (5) 0	10.50 (5) 0	10.50 (5) 0	10.50 (5) 0	10.31 (5) 0	10.31 (20) 15	10.30 (20) 0	10.30 (20) 0
CME - BUTTER FUTURES -- Cents per pound										
MAY 03	110.25 (374) 1	111.00 (375) 3	110.75 (376) 1	111.75 (376) 0	111.75 (376) 0	111.75 (376) 0	111.75 (381) 18	110.50 (379) 9	110.00 (378) 4	110.02 (379) 6
JUL 03	113.75 (360) 2	114.25 (360) 1	114.00 (367) 14	114.00 (367) 0	114.00 (367) 0	114.00 (367) 0	114.00 (377) 14	113.50 (380) 5	113.00 (381) 1	113.47 (382) 14
SEP 03	117.25 (342) 0	117.25 (343) 1	117.00 (349) 6	117.00 (349) 0	117.00 (348) 2	117.00 (348) 0	117.00 (353) 15	116.25 (355) 3	115.75 (350) 7	116.00 (352) 12
OCT 03	118.00 (250) 1	118.50 (250) 0	118.47 (250) 0	118.47 (250) 0	118.47 (250) 0	118.47 (250) 0	118.47 (264) 17	117.50 (266) 5	116.75 (272) 7	117.00 (272) 3
DEC 03	120.00 (52) 0	120.50 (57) 5	120.00 (71) 14	120.00 (71) 0	120.00 (71) 0	120.00 (71) 0	120.00 (73) 2	119.50 (73) 0	119.47 (73) 0	119.47 (73) 0
MAR 04	126.50 (14) 0	126.50 (22) 8	126.50 (23) 1	126.50 (23) 0	126.50 (23) 0	126.50 (23) 0	126.50 (23) 0	126.50 (23) 0	126.50 (23) 0	126.50 (25) 2

1/ At the CME open interest for milk -- 200,000 pounds per contract. For more detailed information, you may call our automated voice system at 608-224-5088.

INTERNATIONAL DAIRY MARKET NEWS

Information gathered March 31 - April 11, 2003

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN AND EASTERN EUROPE

OVERVIEW: WESTERNEUROPE: Milk production throughout Europe is increasing seasonally. The new milk quota year has just begun and milk marketings are on the increase. This trend is typical for this time of the year as milk output increases and milk shipments resume from those producers that were above quota at the end of the 2002 - 2003 quota year which ended March 31. Recently in some areas of Europe, winter weather conditions and cold temperatures returned which could slow seasonal growth. Producers and handlers indicate that a leveling of production or even a slight decline might occur, but do not look at this as being significantly detrimental to the market. Typically at this time of the year, these types of weather conditions are short lived and conditions return to normal quite quickly. Manufacturing schedules throughout Europe are increasing seasonally. In instances, production of one product is being adjusted for another to accommodate slow or lagging sales. Skim milk powder production is increasing seasonally although new international sales activity is lighter than producers and traders would desire. Through April 6, clearances to intervention totaled 5,789 mt compared to 21,433 mt during the same period last year. Although offerings are running about 75% less than last year, some producers are speculating heavier offerings may be headed toward intervention due to slower international sales. Overall international sales have been and remain slow. Traders indicated that there seems to be a little more optimism from international buyers in recent days. They attribute this to political developments in the Middle East and possibly buyers need to once again replenish depleted stocks. At this point, European traders feel that they will be in a good supply situation to address much of the potential buyer interest once it resumes.

BUTTER/BUTTEROIL: European butter markets are generally steady at unchanged prices. Stocks of butter are readily available for both domestic and international buyer interest. Most sales are occurring for internal or domestic needs with international sales reported as light. Butter production is increasing seasonally as milk production builds. Cream supplies are readily available as skim milk powder production increases.

82% BUTTERFAT:	1,250 - 1,300
99% BUTTERFAT:	1,550 - 1,650

SKIM MILK POWDER (SMP): Skim milk powder markets are generally steady, although prices did adjust slightly. Many producers, handlers, and traders are questioning what the EU Management Committee might do with export refunds during the meeting scheduled for Thursday April 10. From that meeting, no adjustments were announced. Skim powder production is gaining momentum within Eastern and Western Europe as milk production increases seasonally. By the end of March, intervention offerings were running well below levels of last year at that time. Reports indicate that clearances totaled about 4000 MT for the first month versus 18,000 MT last year.

1.25% BUTTERFAT:	1,650 - 1,700
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WHOLE MILK POWDER (WMP): Whole milk powder markets are generally steady at unchanged prices. Whole milk powder production is increasing seasonally as milk production continues to build. Stocks of powder are reported to be increasing. Sales activity is reported as being light, but shipments of previously committed powder are occurring. Traders indicate that it appears that some potential buyer interest is once again starting to build, but is not expected to really develop until political unrest in the Middle East has subsided.

26% BUTTERFAT:	1,650 - 1,750
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SWEET WHEY POWDER: Whey powder markets are weak with prices unchanged to lower. Some traders are indicating that prices are at or near the lowest they have been in 9 years. Cheese production is seasonally strong thus whey stocks are increasing. Traders report that feed buyers are looking toward other milk proteins for their feed needs versus whey proteins, thus whey inventories are becoming heavier.

NONHYGROSCOPIC:	375 - 450
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OVERVIEW: EASTERNEUROPE: Milk production in Eastern Europe continues to increase slowly. Producers and handlers remain very optimistic about the upcoming production season. Recent international sales out of this region of Europe are currently keeping supplies in close balance with production. At this point, stocks of manufactured dairy products remain low, but as milk volumes increase, thus will inventories. New international sales activity continues to be reported as light.

OCEANIA

OCEANIA OVERVIEW: The 2002 - 2003 milk production season in New Zealand is in the final few weeks as producers reduce daily milkings to once a day while others dry off their herds completely. At this point of the season, production on the North Island is reported to be trailing last year by slightly less than 1%, while the South Island is reporting nearly a 10% increase. With the North Island being New Zealand's main dairy region, milk handlers are projecting combined annual output for both islands to be between 2 - 3% ahead of last year. In recent weeks, seasonal declines slowed and plateaued somewhat which allowed milk handlers to generate some additional manufactured dairy products. In many instances, this additional product narrowed the gap between being short of supplies to being in a comfortable position. In Australia, milk production is declining seasonally, although the seasons end is still a few months away. The overall lack of milk, compared to last season, continues. Reports of a 10% decline from last year continue. Lack of moisture, especially in the Victoria region of Australia, is the leading factor in lower milk output during the current season. Some recent moisture has been reported, but still well short of needed volumes. Producers and handlers are hopeful that during the final months of the season and during the upcoming winter months, moisture will be prevalent to once again replenish low water tables or they could be facing a another year of disappointing milk volumes. Financial concerns are also facing more producers. At this point, Australian dairy product handlers are fully aware of their supply situation in comparison to their known commitments, but for the most part, are basically in balance and indicate that there will be minimal if any additional stock available for spot buyer interest. New international sales are reported to be very light, but producers and handlers feel that potential buyers are aware of the Oceania supply situation and are not even questioning availability. Shipments of contracted volumes of manufactured dairy products are occurring basically as scheduled.

BUTTER: Oceania butter markets are generally steady with prices unchanged to slightly lower on the top end of the reported range. Butter production is seasonally declining, although late season production and inventoried stocks are reported to be in balance for projected needs. Handlers indicate that stocks are sufficient to meet known needs, but anticipated to be limited for spot buyer interest.

82% BUTTERFAT:	1,250 - 1,300
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CHEDDAR CHEESE: Oceania cheese markets are generally steady. Most trading activity and shipments continue to center around regular and ongoing buyer needs. In most instances, cheese production has been and continues to be in line with projected needs. Manufacturers indicate that cheese supplies should be sufficient to maintain scheduled shipping timelines.

39% MAXIMUM MOISTURE:	1,700 - 1,900
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SKIM MILK POWDER (SMP): Skim milk powder markets are generally steady at unchanged prices. Skim powder production is declining seasonally. Recently in New Zealand, a slight leveling of milk production, on the down side, provided some additional milk to enter manufacturing which relieved some of the supply pressure. With this additional supply in New Zealand and stable to declining output in Australia, Oceania handlers are more comfortable with their supply/demand situation. In most instances though, handlers feel that they will have minimal volumes, if any at all, available for spot buyer interest.

1.25% BUTTERFAT:	1,700 - 1,800
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WHOLE MILK POWDER (WMP): Whole milk powder markets are generally steady, although prices are slightly lower on both ends of the reported range. Oceania handlers indicate that stocks of powder are in close balance with demand. When possible, manufacturers are often directing late season milk volumes toward whole milk production. At this point, handlers are comfortable with their supply situation in relationship to known needs with most shipments on schedule.

26% BUTTERFAT:	1,775 - 1,825
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Exchange rates for selected foreign currencies: March 24, 2003

.6756 Canadian Dollar	.0210 Indian Rupee
.3378 Argentina Peso	.5518 New Zealand Dollar
.0928 Mexican Peso	.5948 Australian Dollar
.2455 Polish Zloty	.0083 Japanese Yen
	1.0633 Euro

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0928) = 10.7758. That is 1 US Dollar equals 10.7758 Mexican Pesos.

Source: "Wall Street Journal"

FEBRUARY 2003 DAIRY PRODUCTS HIGHLIGHTS

BUTTER production was 128.5 million pounds in February, 2.5 percent above February 2002 but 9.2 percent below January 2003. **AMERICAN TYPE CHEESE** production totaled 284.9 million pounds, 0.9 percent below February 2002 and 10.8 percent below January 2003. **TOTAL CHEESE** output (excluding cottage cheese) was 654.6 million pounds, slightly below February 2002 and 8.8 percent below January 2003. **NONFAT DRY MILK** production, for human food, totaled 132.6 million pounds, 5.3 percent above February 2002 but 0.9 percent below January 2003. **DRY WHEY** production, for human food, was 83.4 million pounds, 3.9 percent above February 2002 but 9.1 percent below January 2003. **ICE CREAM** (hard) production totaled 70.6 million gallons, 0.6 percent below February 2002 but 4.9 percent above January 2003.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	FEB 2003	PERCENT CHANGE FROM:			PRODUCT	FEB 2003	PERCENT CHANGE FROM:		
	1,000 LBS.	FEB 2002	JAN 2003	YEAR TO DATE 1/		1,000 LBS.	FEB 2002	JAN 2003	YEAR TO DATE 1/
BUTTER	128,465	2.5	-9.2	1.5	SOUR CREAM	43,850	---	-15.0	---
CHEESE					YOGURT (PLAIN AND FLAVORED)	174,981	7.4	3.3	---
AMERICAN TYPES 2/	284,887	-0.9	-10.8	0.3	CONDENSED WHEY, SOLIDS CONTENT 6/				
CHEDDAR	219,416	-2.5	-11.4	-0.8	SWEET-TYPE, HUMAN FOOD	8,919	37.5	-12.9	---
SWISS	20,473	8.7	-10.0	---	SWEET-TYPE, ANIMAL FEED 7/				---
BRICK & MUENSTER	6,532	3.5	-5.6	---	DRY WHEY PRODUCTS				
CREAM & NEUFCHATEL	45,986	4.5	-4.7	---	DRY WHEY, HUMAN FOOD	83,367	3.9	-9.1	---
HISPANIC	9,417	6.0	-8.1	---	DRY WHEY, ANIMAL FEED	4,616	-18.1	-22.1	---
MOZZARELLA	218,216	-1.4	-6.1	-0.6	REDUCED LACTOSE AND MINERALS				
OTHER ITALIAN TYPES	54,527	3.8	-10.6	4.1	HUMAN FOOD	4,104	-46.5	-7.9	---
TOTAL ITALIAN TYPES	272,743	-0.4	-7.0	0.4	ANIMAL FEED	3,249	-6.7	-16.2	---
ALL OTHER TYPES	14,602	-6.9	-12.6	---	LACTOSE, HUMAN FOOD & ANIMAL FEED	47,591	8.2	-5.7	---
TOTAL	654,640	---	-8.8	0.9	WHEY PROTEIN CONCENTRATE				
COTTAGE CHEESE, CURD 3/	33,534	-4.7	-6.0	---	HUMAN FOOD	27,610	7.1	-3.1	---
COTTAGE CHEESE, CREAM 4/	29,242	1.6	-6.8	3.5	ANIMAL FEED	3,031	-6.0	-4.4	---
COTTAGE CHEESE, LOWFAT 5/	29,128	-2.9	-4.2	-0.2	FROZEN PRODUCTS	1,000 GALLONS	PERCENT CHANGE FROM:		
CANNED EVAPORATED & CONDENSED					ICE CREAM (HARD)	70,625	-0.6	4.9	-2.2
WHOLE MILK	35,666	21.2	-9.6	---	ICE CREAM, LOWFAT (HARD)	7,318	14.3	-10.5	---
DRY WHOLE MILK	2,630	-37.7	-3.6	---	ICE CREAM, LOWFAT (SOFT)	18,088	-2.6	5.8	---
NONFAT DRY MILK, HUMAN FOOD	132,552	5.3	-0.9	8.8	ICE CREAM, LOWFAT (TOTAL)	25,406	1.7	0.5	7.6
DRY SKIM MILK, ANIMAL FEED	461	-45.9	-2.7	---	SHERBET (HARD)	4,427	9.3	9.1	8.1
DRY BUTTERMILK	6,182	26.5	-11.8	---	YOGURT (TOTAL)	6,149	-3.1	7.5	-3.7

MANUFACTURERS' STOCKS, END OF MONTH 8/

PRODUCT	FEB 2003	PERCENT OF:		PRODUCT	FEB 2003	PERCENT OF:	
	1,000 LBS.	FEB 2002	JAN 2003		1,000 LBS.	FEB 2002	JAN 2003
DRY WHEY PRODUCTS				WHEY PROTEIN CONCENTRATE			
DRY WHEY, HUMAN FOOD	35,862	-3.5	-9.3	HUMAN FOOD	21,920	4.0	-1.4
DRY WHEY, ANIMAL FEED	1,767	23.8	-47.3	ANIMAL FEED	1,790	8.6	26.9
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL 9/	11,782	45.9	11.2	CANNED EVAPORATED & CONDENSED WHOLE MILK	56,371	23.2	8.4
LACTOSE, HUMAN FOOD & ANIMAL FEED	38,088	36.7	-10.8	NONFAT DRY MILK FOR HUMAN FOOD	122,955	-13.7	10.2
DRY BUTTERMILK, TOTAL	10,304	14.5	-3.0				

1/ 2003 cumulative as percent change of 2002 cumulative. 2/ Whole milk cheese, including Cheddar, colby, monterey and jack. 3/ Mostly used for processing into cream or lowfat cottage cheese. 4/ Fat content 4 percent or more. 5/ Fat content less than 4 percent. 6/ Final marketable product only. Does not include quantity used or shipped to another plant for further processing into dry whey or modified whey products. 7/ Not shown when fewer than three plants reported or individual plant operations could be disclosed. 8/ Stocks held by manufacturers at all points and in transit. 9/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations.

SOURCE: "Dairy Products," Da 2-6 (4-03), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, MARCH

Component Price Information: Under the Federal milk order pricing system, the butterfat price for March 2003 is \$1.1459 per pound. Thus, the Class II butterfat price is \$1.1529. The protein and other solids prices for March are \$1.6648 and \$0.0206 per pound, respectively. These component prices set the Class III skim milk price at \$5.28 per cwt. The March Class IV skim milk price is \$5.99 which is derived from the nonfat solids price of \$ 0.6651 per pound.

Product Price Averages: The product price averages for March are; butter \$1.0546, nonfat dry milk \$0.8051, cheese \$1.0780, and dry whey \$0.1599.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT 1/ 2/						
FEDERAL MILK ORDER MARKETING AREAS 3/	ORDER NUMBER	MARCH 2003				APRIL 2003
		CLASS I	CLASS II	CLASS III	CLASS IV	CLASS I
		DOLLARS PER 100 POUNDS				
Northeast (Boston) 4/	001	13.06	10.54	9.11	9.79	12.89
Appalachian (Charlotte) 5/	005	12.91	10.54	9.11	9.79	12.74
Southeast (Atlanta) 6/	007	12.91	10.54	9.11	9.79	12.74
Florida (Tampa) 7/	006	13.81	10.54	9.11	9.79	13.64
Mideast (Cleveland) 8/	033	11.81	10.54	9.11	9.79	11.64
Upper Midwest (Chicago) 9/	030	11.61	10.54	9.11	9.79	11.44
Central (Kansas City) 10/	032	11.81	10.54	9.11	9.79	11.64
Southwest (Dallas) 11/	126	12.81	10.54	9.11	9.79	12.64
Arizona-Las Vegas (Phoenix) 12/	131	12.16	10.54	9.11	9.79	11.99
Western (Salt Lake City) 13/	135	11.71	10.54	9.11	9.79	11.54
Pacific Northwest (Seattle) 14/	124	11.71	10.54	9.11	9.79	11.54
All-Market Average	---	12.39	10.54	9.11	9.79	12.22

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide 11.63--the approximate number of gallons in 100 pounds of milk.

2/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table.

3/ Names in parentheses are the major city in the principal pricing point of the market.

4/ Class I prices at other cities are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25; and Washington, DC, minus \$0.25.

5/ Class I prices at other cities are: Knoxville, minus \$0.30 and Louisville, minus \$0.90.

6/ Class I prices at other cities are: New Orleans, plus \$0.50; Memphis, minus \$0.30; Nashville, minus \$0.50; and Springfield, Mo., minus \$0.90.

7/ Class I prices at other cities are: Orlando, same; Miami, plus \$0.30; and Jacksonville, minus \$0.30.

8/ Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20.

9/ Class I prices at other cities are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10.

10/ Class I prices at other cities are: Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55.

11/ Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75.

12/ Class I price at Las Vegas is minus \$0.35.

13/ Class I price at Boise is minus \$0.30.

14/ Class I prices at other cities are: Portland, same; and Spokane, same.

FEBRUARY FLUID MILK SALES

During February, about 4.4 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 1.7 percent higher than February 2002. On an individual product basis, sales of whole milk, reduced fat (2%) milk, low fat (1%) milk, fat-free (skim) milk, and flavored fat-reduced milk increased from February 2002, while sales of flavored whole milk and buttermilk decreased from a year earlier.

Editor's Note: Additional data can be found at <http://www.ams.usda.gov/dvfmoms/mib/in-areales.htm>

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS,
FEBRUARY 2003, WITH COMPARISONS 1/

Product Name	Sales		Change from: 2/	
	February	Year to Date	Previous Year	Year to Date
	Mil. Lbs.		Percent	
Whole Milk	1,444	3,064	1.4	1.0
Flavored Whole Milk	76	158	-1.4	-2.3
Reduced Fat Milk (2%)	1,388	2,941	2.1	1.9
Low Fat Milk (1%)	500	1,058	0.9	1.7
Fat-Free Milk (Skim)	641	1,350	0.2	0.3
Flavored Fat-Reduced Milk	286	597	7.6	6.7
Buttermilk	44	93	-4.1	-4.3
Total Fluid Milk Products 3/	4,389	9,276	1.7	1.6
Total Fluid Milk Products Adjusted 3/ 4/	4,389	9,237	1.7	1.3

1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which accounts for approximately 93 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 7 percent of sales from the Federal milk order and California data. 2/ Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis; see 4/. 3/ Total fluid milk products include the products listed plus miscellaneous products and eggnog. 4/ Sales volumes and percent changes have been adjusted for calendar composition; see http://www.ams.usda.gov/dyfmoms/mib/clndr_comp_rpt.pdf

PACKAGED SALES OF TOTAL FLUID MILK PRODUCTS IN FEDERAL MILK ORDERS
AND CALIFORNIA, FEBRUARY 2003, WITH COMPARISONS 1/

Area (Order Number) 2/	Sales		Change from: 3/	
	February	Year to Date	Previous Year	Year to Date
	Mil. Lbs.		Percent	
Northeast (001)	778	1,618	3.2	1.5
Appalachian (005)	268	581	-0.3	0.9
Southeast (007)	390	830	2.0	1.7
Florida (006)	234	494	0.5	1.2
Mideast (033)	509	1,083	-0.7	1.4
Upper Midwest (030)	348	736	1.3	0.9
Central (032)	373	787	3.4	2.0
Southwest (126)	330	708	1.4	1.1
Arizona-Las Vegas (131)	105	221	3.9	4.6
Western (135)	70	147	0.3	-0.3
Pacific Northwest (124)	169	358	1.8	0.5
California (---)	509	1,062	2.6	2.6

1/ These figures are representative of the consumption of total fluid milk products in the respective area; see 3/ above for the products included. 2/ Percent changes, as well as sales volumes, are shown on an unadjusted basis; see 4/ above.

SOURCE: Monthly reports filed by milk processors subject to the provisions of the applicable Federal milk order, AMS, USDA, and *California Dairy Information Bulletin*, California Agricultural Statistics Service and Milk Stabilization Branch.

APRIL MILK SUPPLY AND DEMAND ESTIMATES*

The milk production projection for 2002/2003 is unchanged from last month. The commercial use forecast is reduced this month as growth remains weak. As product prices remain weak, Class prices are projected lower than last month. The Class III price is lowered to \$9.55-\$9.85 per cwt.; the Class IV price forecast range is narrowed to \$9.80-\$10.30. The all milk price is down from last month's forecast, to \$11.10-\$11.40 per cwt.

Item	2000/01 1/	2001/02 Estimate 1/		2002/03 Projection 1/	
		March	April	March	April
SUPPLY		BILLION POUNDS			
BEGINNING COMMERCIAL STOCKS 2/	8.9	8.8	8.8	11.2	11.2
PRODUCTION	165.2	169.2	169.2	171.0	171.0
FARM USE	1.3	1.2	1.2	1.2	1.2
MARKETINGS	163.9	167.9	167.9	169.8	169.8
IMPORTS 2/	5.4	5.2	5.2	5.0	5.0
TOTAL COMMERCIAL SUPPLY 2/	178.2	181.9	181.9	186.0	186.1
USE					
COMMERCIAL USE 2/ 3/	169.2	170.4	170.4	173.3	172.5
ENDING COMMERCIAL STOCKS 2/	8.8	11.2	11.2	11.3	11.9
CCC NET REMOVALS:					
MILKFAT BASIS 4/	0.3	0.3	0.3	1.5	1.7
SKIM SOLIDS BASIS 4/	6.3	9.6	9.6	8.2	8.8
		DOLLARS PER CWT.			
MILK PRICES 5/					
CLASS III 6/	12.29	11.03	11.03	9.60-10.00	9.55-9.85
CLASS IV 6/	13.88	11.22	11.22	9.75-10.35	9.80-10.30
ALL MILK 7/	14.51	12.76	12.76	11.10-11.50	11.10-11.40
		MILLION POUNDS			
CCC PRODUCT NET REMOVALS 4/					
BUTTER	0	0	0	45	50
CHEESE	17	9	9	35	50
NONFAT DRY MILK	525	817	817	675	715
DRY WHOLE MILK	3	0	0	0	0
	QUARTERLY 8/			ANNUAL 8/	
	2003 I	2003 II	2003 III	2002	2003
MILK PRODUCTION	43.0	44.4	42.0	169.8	171.7
		DOLLARS PER CWT.			
ALL MILK PRICE 5/ 7/	11.37	10.45-10.85	10.65-11.35	12.12	11.00-11.50
CLASS III PRICE 5/ 6/	9.52	9.15-9.55	9.45-10.15	10.42	9.55-10.05
CLASS IV PRICE 5/ 6/	9.89	9.50-10.00	9.65-10.45	10.81	9.70-10.30

NOTE: Totals may not add due to rounding. 1/ Marketing year beginning October 1. 2/ Milk equivalent, milkfat basis. 3/ Includes commercial exports. 4/ Includes products exported under Dairy Export Incentive Program. 5/ Projections indicate a range of the average for the quarter or year. 6/ Federal milk order minimum prices. Beginning in April 2003, the price forecasts use the new class price formulas. 7/ Milk of average fat test. Does not reflect any deductions from producers as authorized by legislation. 8/ Calendar year basis projection.

* The World Agricultural Supply and Demand Estimates were approved by the Interagency Commodity Estimates Committee. The members for Dairy are: Shayle Shagam, Chairperson, WAOB; John Mengel, AMS; Authur Coffing, FAS; James Miller, ERS; and Daniel Colacicco, FSA.

SOURCE: "World Agricultural Supply and Demand Estimates," WASDE-397, World Agricultural Outlook Board, USDA, April 10, 2003.

MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS AND CALIFORNIA, JANUARY 2003

In January 2003, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$11.61 per cwt., \$0.08 less than the figure for the previous month. Most of this month-to-month decrease results from lower Federal milk order minimum producer milk component prices and tests. The component tests of producer milk in January 2003 were: butterfat, 3.76%; protein, 3.05%; and other solids, 5.70%. On an individual reporting area basis, mailbox prices decreased in 11 reporting areas and increased in 6 areas, and ranged from \$14.72 in Florida to \$10.25 in Utah. In January 2002, the Federal milk order all-area average mailbox price was \$13.34, \$1.73 higher.

Note: Effective with this report, the Iowa reporting area has been removed from the Corn Belt States reporting area and is reported separately. The Northern Missouri reporting area has been added to the Corn Belt States reporting area.

Reporting Area	Mailbox Milk Price <u>2/</u>		
	January 2002	December 2002	January 2003
	Dollars per hundredweight		
Northeast Federal Milk Order	13.24	11.58	11.62
Appalachian States <u>3/</u>	13.83	12.45	12.45
Southeast States <u>4/</u>	14.09	12.93	13.07
Southern Missouri <u>5/</u>	13.09	11.72	11.83
Florida	15.81	14.92	14.72
Ohio	13.45	11.99	11.70
Michigan	13.26	11.61	11.45
Wisconsin	13.57	11.78	11.60
Minnesota	13.50	11.56	11.52
Iowa	13.37	11.61	11.58
Illinois	13.22	11.77	11.92
Corn Belt States <u>6/</u>	12.88	11.35	11.46
Western Texas <u>7/</u>	13.48	11.95	11.90
New Mexico	12.60	11.06	10.93
Idaho	12.34	10.66	10.38
Utah	12.41	10.37	10.25
Northwest States <u>8/</u>	12.81	11.24	10.91
All Federal Order Areas <u>9/</u>	13.34	11.69	11.61
California <u>10/</u>	12.48	10.68	NA

NA= Not available.

1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. The price shown is the weighted average of the prices reported for all orders that received milk from the area. 2/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is a weighted average for the reporting area and is reported at the average butterfat test. Mailbox price does not include any Milk Income Loss Contract (MILC) payments. 3/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 4/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 5/ The counties of Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry and all those to the south of these. 6/ Includes Kansas, Nebraska and the Missouri counties to the north of those listed in 5/. 7/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. 8/ Includes Oregon and Washington. 9/ Weighted average of the information for all selected reporting areas in Federal milk orders. 10/ Calculated by California Department of Food and Agriculture, and published in "California Dairy Information Bulletin."

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF APRIL 7 - 11, 2003			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/02	SAME PERIOD LAST YEAR	WEEK ENDING 04/04/03	SAME PERIOD LAST YEAR
BUTTER							
Bulk	380,881	-0-	380,881	5,923,634	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	328,320	-0-	-0-	-0-
TOTAL	380,881	-0-	380,881	6,251,954	-0-	-0-	-0-
CHEESE							
Block	85,041	-0-	85,041	1,625,422	-0-	-0-	-0-
Barrel	732,786	-0-	732,786	4,859,266	-0-	-0-	-0-
Process	1,069,200	-0-	1,069,200	15,166,800	-0-	-0-	-0-
TOTAL	1,887,027	-0-	1,887,027	21,651,488	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	18,122,382	-0-	18,122,382	345,791,626	305,474,594	1,181,621,000	872,082,000
Fortified	-0-	-0-	-0-	-0-	-0-	46,391,000	46,391,000
TOTAL	18,122,382	-0-	18,122,382	345,791,626	305,474,594	1,228,012,000	918,473,000

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF APRIL 7 - 11, 2003 =	29.7	229.7	COMPARABLE PERIOD IN 2002 =	5.8	305.2
CUMULATIVE SINCE OCTOBER 1, 2002 =	412.2	4,240.1	CUMULATIVE SAME PERIOD LAST YEAR =	67.2	3,555.7
CUMULATIVE JANUARY 1 - APRIL 11, 2003 =	338.1	2,974.5	COMPARABLE CALENDAR YEAR 2002 =	50.3	2,659.8

* Factors used for Fat Solids Basis - Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis - Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF APRIL 7 - 11, 2003 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
CENTRAL	-0-	-0-	-0-	-0-	-0-	1,069,200	1,833,538	-0-
WEST	380,881	-0-	-0-	85,041	732,786	-0-	13,621,919	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	2,666,925	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/02 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2002/03	2001/02	2002/03	2001/02	2002/03	2001/02	2002/03	2001/02
CENTRAL	-0-	-0-	15,208,400	-0-	12,782,318	11,071,386	34.7	3.6
WEST	6,251,954	-0-	6,443,088	-0-	319,196,116	278,603,371	64.5	91.2
EAST	-0-	-0-	-0-	-0-	13,813,192	15,799,837	0.8	5.2
TOTAL	6,251,954	-0-	21,651,488	-0-	345,791,626	305,474,594	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER NOVEMBER 15, 2002

MANUFACTURING MILK Average Test 3.67% - \$9.90 per cwt.

BUTTER Bulk \$1.0500 per pound; 1# Prints \$1.0850

CHEESE 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1889; Process Am. 2# \$1.2289

NONFAT DRY MILK Nonfortified \$.8000 per pound; Fortified \$.8100; Instant \$0.9625

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 03/22/03 & Comparable Week 2002

Regions* (000 HEAD)	U.S. TOTAL										% DAIRY OF ALL	
	1	2	3	4	5	6	7	8	9	10	WEEK SINCE JAN 1	WEEK SINCE JAN 1
2003-Dairy	0.2	0.8	8.4	5.1	22.7	2.9	0.9	0.9	17.7	3.4	62.9	697.9
2002-Dairy	0.2	0.7	5.4	4.7	18.9	2.2	0.6	1.2	12.0	2.7	48.6	609.7
2003-All cows	0.2	1.0	11.4	14.0	34.6	15.4	16.1	3.5	19.4	6.5	121.9	1,401.9
2002-All cows	0.2	0.9	7.4	13.4	28.7	14.1	16.2	3.5	14.3	5.6	104.2	1,280.4

SOURCE The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III MILK PRICES, (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2000	10.05	9.54	9.54	9.41	9.37	9.46	10.66	10.13	10.76	10.02	8.57	9.37
2001	9.99	10.27	11.42	12.06	13.83	15.02	15.46	15.55	15.90	14.60	11.31	11.80
2002	11.87	11.63	10.65	10.85	10.82	10.09	9.33	9.54	9.92	10.72	9.84	9.74

FEDERAL MILK ORDER CLASS PRICES FOR 2003 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	10.56	10.23	9.81	9.64								
II	11.29	10.66	10.54									
III	9.78	9.66	9.11									
IV	10.07	9.81	9.79									

1/ Specific order differentials to be added to this base price are located at www.ams.usda.gov/dyfmoms/mib/cls_prod_cmp_pr.htm